

**State of the City Address 2013
Mayor Harrison
City of Fremont**

I am pleased to be here today and appreciate the opportunity to report out on Fremont's state of the city.

I want to thank the Chamber of Commerce for hosting today's event.

We look forward to continuing our work with the staff and Board of Directors to make Fremont's business community even stronger and move our city forward.

Although forward is a word often overused, especially by politicians, today, I am going to use it. Because if you are not standing still or moving backwards, you are moving forward.

And that is what Fremont is doing.

We are a city on the move.

We took advantage of the economic downturn to plan and prepare.

We worked with our employee groups, who all helped to right our financial ship.

And we are working to align our city as a major player within Silicon Valley.

This is a team effort. I want to acknowledge the members of the City Council who come from a diverse background and work hard to guide the City.

We each bring a different skill set to the table, and each one of us is dedicated to moving Fremont forward.

I would like to introduce

Vice Mayor Anu Natarajan

Councilmember Sue Chan

Councilmember Vinnie Bacon

Councilmember Raj Salwan

I want to thank each of them for their dedication and commitment to Fremont.

I also want to thank

City Manager Fred Diaz and the Management Staff, and all of the City employees for their contributions to making Fremont a forward thinking city.

As Mayor, I want to acknowledge that change does not happen overnight, or even in a year.

Cities are not built over a four year term, rather they take decades of hard work and perseverance to truly reach their potential. I want to acknowledge and personally thank the previous councils and staff who have helped build our great city.

Thanks to everyone's hard work, our city is in good shape.

We were recently ranked fifth on the “Best Run City in America” list back in January by Twenty-Four Seven Wall Street.

And we also ranked America’s third “Sharpest, Smartest City” by Reader’s Digest in October.

And, we are getting some impressive, and unsolicited external validation that Fremont is a great environment for business.

We ranked first in the nation for number of startups per capita by Sizeup dot com.

And we were voted the second Most Inventive City in America by The Daily Beast with 2,200 patents in twenty ten.

These accolades validate what we all have known for a long time, that Fremont is a great city.

We, as a city, no longer want to be the Bay Area’s best kept secret.

We have embarked on a proactive strategic communications strategy, and we are serious about letting the corporate and real estate world know that we mean business.

We continue to nurture our two largest growth clusters, Biotech and Cleantech.

A growing number of the 100-plus companies in these two categories are taking advantage of the City’s business license tax exemption. This is helping them at the early stage of development when they need it most.

Complex products, and a long lead-time to market, make this a valuable tool for expanding Fremont’s innovation economy.

In fact, Fremont will add almost a half million square feet to its R&D inventory with expansions of two local companies, including

Thermo Fisher, which is a maker of bio-med devices, and Delta Products, a company whose products span from computer components, to electric charging stations, to windmills.

Another company reinvesting in Fremont is the Men’s Wearhouse. They are expanding their headquarters presence here.

What makes these expansions important, besides more local jobs and a boost to our economy, is that these three companies were already located in Fremont.

They could have chosen anywhere to expand, but they chose to stay in Fremont.

This is another example of Fremont’s changing business climate, and the expansions show that Fremont is a great place for business.

I guarantee it!

And perhaps the most exciting expansion story of all is Seagate’s purchase of the Solyndra manufacturing facility.

The Solyndra chapter in Fremont’s history is officially closed.

**The Solyndra sign is down,
and the Seagate sign is up.**

To capitalize on the synergy happening in Fremont, you may start to hear more about a new public private partnership to breathe life into Fremont's Innovation District called the FAST strategy.

This quadrant of the city encompasses Warm Springs and Bayside, and includes a large cluster of Fremont's innovation companies.

"FAST" is a strategy that allows us to position this area as a hotbed for advanced manufacturing, and a place where R&D efforts are fueling Silicon Valley's latest renaissance.

It's a renaissance that is putting people back to work,
and designing and building the products of tomorrow, right here in Fremont.

And I am pleased to report that Fremont will host the Western Region Clean Tech Open event in October, in partnership with our friends at Chevron Energy Solutions.

The roots of FAST are in a report completed by the Urban Land Institute in June.

This report has laid the ground work for our efforts to build an employment focused transit hub surrounding the new Warm Springs South Fremont BART Station, which is currently on track to open in late 2015.

But more on that later.

When we talk about marketing the Warm Springs area, it could take us from this to this.

This rendering takes the development profile for Warm Springs, with upwards of 12,000 jobs and around 3,000 housing units, and uses actual Silicon Valley campus prototypes to show what is possible on just the north end of the Warm Springs study area.

Fremont is ready to make this plan a reality, and is working closely in partnership with BART, Union Pacific, and other adjacent property owners.

Looking at ways to grow this area and support innovative businesses, Fremont's recently unveiled Innovation Scorecard will help guide the way.

This public private partnership revealed that we have opportunities to facilitate the growth of our businesses.

Providing linkages to late stage capital,
increasing connections to the global marketplace,
developing education partnerships,
and helping to navigate state and federal regulations.

I am pleased that government is working with the private sector to improve our innovation district.

And staying on the subject of innovation,

amidst all of these exciting developments in South Fremont, Tesla Motors continues to be a tremendous icon for the changing fortunes of Warm Springs, our city, and the

region.

With the Model S being honored as Motor Trend's "Car of the Year," Tesla is wowing the world with its sleek design, and phenomenal progress in changing manufacturing into something that truly is "Advanced."

But Warm Springs is not the only historic district with good news.

In Centerville, I am happy to report that Dale Hardware has completed its expansion. This family-owned hardware store has grown in Fremont, stayed in Centerville, and continues to serve the community today.

In Irvington, we have the long awaited completion of Osgood Road, the vital road that connects Irvington to the Warm Springs area.

As you can see, the difference is like night and day.

And along Niles Boulevard, we reconstructed the asphalt pavement, sidewalks, and installed traffic calming features to create a more pedestrian-friendly environment.

In Mission San Jose, Ohlone College is considering development proposals for key parcels fronting Mission Boulevard.

And we are also looking forward to working with the Dominican Sisters on their twenty six acre Master Plan to build an Alzheimer Services and Memory Loss Center to serve the community.

And up the road in Ardenwood, companies like Boehringer Ingelheim Fremont are developing and manufacturing high-quality biopharmaceuticals.

Boehringer Ingelheim chose Fremont to be their first US Manufacturing facility and has invested \$15 million dollars into their site to make it more sustainable for the future and their 300 Fremont employees.

And looking at this crowd, I don't see a lot of people who will use this, but our kids will. I am pleased to announce that in a few months, our skate park will open, just in time for a great summer at Aqua Adventure Water Park and Central Park. These updates are just scratching the surface of what is going on in Central Park and our historic districts.

And when the five historic districts came together to form Fremont, one thing always missing has been a downtown.

We now have the staff, the Council support, positive economic conditions, and interest from stakeholders coming together to make this vision a reality by creating a downtown for our city.

Our efforts in the past with this 110 acre area bounded by Mowry, Fremont Boulevard, Paseo Padre and Walnut Avenue have laid the ground work for what is about to happen.

To help connect this area, plans are already under way to extend Capitol Avenue to Fremont Boulevard.

What is important to note is that there is already a daytime population in the vicinity with employees from all of the government buildings and our wonderful medical facilities, many of them here today, including Washington Hospital, Kaiser Permanente, and Palo Alto Medical Foundation, as well as surrounding businesses in this area.

And in September, 300 apartments will open, of which 85 percent are high end two and three bedroom units. This development will open in the Downtown, bringing even more people to this area. These are the first new rooftops in the Downtown to open since Fremont's incorporation, with more to come.

While transforming a new downtown will not happen overnight, I am confident that this time we will deliver that "sense of place."

A community gathering and focal point for our community where people live, work, shop, and play.

And speaking of shopping, I am thrilled to report that construction on a new Whole Foods Market at the corner of Mowry and Paseo Padre is well under way.

This nearly 40,000 square foot market is anticipated to open in the fall in time for the holiday season.

It will join another organic haven called "Sprouts," which opened last May along Mowry Avenue.

With these healthy new organic options, it's fitting to note that Fremont is about to become a fitness mecca, with two impressive new facilities.

24-Hour Fitness opened their new Super Sport Club on Auto Mall Parkway earlier this month.

And next month, City Sports, which is part of the LA Fitness family, is opening a facility at Mowry East.

And the widely successful Pacific Commons, is making progress on their newest retail node called "The Block."

The Block is anchored by Target and Century Theaters, both of which opened last year at this time, and are doing very well. In fact, our theater is competing with those nearly twice in size. So far, it is in the top 15 percent highest grossing theaters in the Bay Area.

To wet your appetite on what's to come, I am proud to announce that TJ Maxx and

Home Goods, will take over the Ashley Furniture Space at Pacific Commons. And that The Men's Wearhouse will open a retail store at The Block, with more stores and restaurants to be announced later. Construction at The Block will begin shortly and we look forward to its opening in time for the Holiday Season.

But there are also other opportunities in our city.

From the North Fremont and Ardenwood area, down to Dixon Landing Road, there are major development and leasing opportunities emerging.

Cargill intends to reposition land at the base of the Dumbarton Bridge in one of Fremont's newest biotech centers.

And Cisco is transitioning property next to Pacific Commons that will allow for significant R&D and commercial development, and will complement our existing retail base.

And there is a property at the southern gateway to Fremont, recently sold by Bud Lyons for an R&D Logistics development.

This property is known as Creekside, and it is particularly important since it will include building an extension of Fremont Boulevard to Dixon Landing Road.

This long awaited extension, along with

the 5.4 mile BART Extension to the new Warm Springs South Fremont station is an integral part to connecting Fremont to the rest of Silicon Valley.

BART and Fremont have worked closely to make these benefits of greater mobility and better connections a reality for Fremont and the entire region.

The subway construction through Central Park and under Lake Elizabeth is complete and final restoration of Central Park is almost finished.

And as a result of the subway construction, Park visitors now enjoy a new and much improved Dog Park, new basketball courts, and more parking.

Beginning this summer, you will notice construction at the Fremont BART Station as well.

They will start removing some of the parking in the station as they build BART tracks to head south and cross over Walnut Avenue on a new bridge.

To help BART make up for some much needed parking, the City will allow parking along Civic Center Drive between Walnut and Mowry.

And from Warm Springs, the 10 mile extension to Milpitas and North San Jose is also proceeding well, along with two new stations in each of those cities.

Construction of the new grade separation for BART and the Union Pacific Railroad over Kato Road in southern Fremont, is nearing completion. The road will completely re-open later this spring.

I want to thank everyone for their patience during this important construction.

Work is also underway at Mission Boulevard and Warren Avenue for another grade separation.

And, construction on new bridges over Mission Boulevard for the UP freight trains and the future BART trains will soon begin.

And now as a CPA, we get to the fun part. A lively discussion of how Fremont has spent more than 13.5 billion, pennies, over the past year.

Okay, in all seriousness, how about a brief budget update.

Our plan to achieve fiscal sustainability is working.

I want to thank all of the City employees who gave concessions to help right the City's ship.

It was a team effort, and it's what got us to where we are today, along with all of the other cost reductions and enhanced revenue opportunities we have implemented over the past few years.

For the first time in years, we have enough revenue to support our operations, begin to fund some of our unmet needs, and to rebuild our fund balance, which is the City's "checking account," while leaving the reserves, or the City's "savings account," intact.

Also, the Successor Agency is well along in completing its unwind of the former Redevelopment Agency.

The Council decided to use a portion of these funds for affordable housing within the community.

Now, the City is moving forward and has assisted with the purchase of land in Irvington for a housing development. One of the goals of this development is to house homeless veterans.

And moving on now, our sales tax revenue continues to increase.

Overall, the business-to-business portion is still below its high level just prior to the

**dot-com bust,
while the auto segment is almost back up to the dot-com bust levels
and increasing.**

**And the general consumer goods sector is at a higher level,
thanks in large part to Pacific Commons and the Block.**

And the housing market is starting to pick up.

**We've seen some continuing positive indications, such as an increase in the average
price of homes sold.**

**Good schools
make for a good city.**

Fremont is fortunate to have wonderful high performing schools.

**Our great schools are not only producing the business and technology leaders of
tomorrow, but right now, I bet**

**there is a student taking chemistry in a Fremont school, who will some day find a cure
for cancer.**

**These great schools are the cornerstone of our city, educating our children,
And helping support the property values in our city.**

And most of our other revenue sources also appear to be trending up.

**Our hotel motel taxes, known as TOT, and our Franchise Fees revenue have both been
improving as well.**

But our work is not over.

While we definitely are not flush with cash, the trend is moving in the right direction.

**I am pleased to say that we will likely put some money into some of these unmet
needs, although as you can see,**

it will take a few years to catch up before we can consider new programs.

We would need at least 20.4 million dollars annually to fund the list of unmet needs.

The Council will continue to look at ways to address this list of unmet needs,

with the largest of them being street maintenance.

**Fremont does not have nearly the funding we need to keep our roads in good
condition.**

**In fact, we need three times the amount we currently have each year just to keep our
streets from deteriorating further.**

**So, we are using new techniques to stretch our street maintenance dollars as much as
possible.**

**And now from improving our streets to greening Fremont's future, we are making great
strides.**

**We adopted a Climate Action Plan that lays out a series of steps to reduce the
community's greenhouse gas emissions,**

and we also established a new Environmental Sustainability Commission to provide

input to the City Council on sustainability-related matters.
We look forward to continuing our efforts to be an environmental leader.

While being green is important, so is being safe.
I am happy to report that Fremont remains a safe city, particularly given our size and proximity to major urban centers.
In protecting our city, two crimes we consistently focus on are robbery and burglary.
We are pleased to have seen annual reductions in both robbery as well as our residential burglary rates for 2012.
However, the safety we enjoy requires constant effort and vigilance.
We will continue working hard to make public safety a top priority for our city.

And within our police and fire departments, finding innovative ways to work together and leverage public safety dollars is also a top priority.
Our city is fortunate to have celebrated two internal chief appointments over the past six months.
In November, we welcomed Geoff LaTendresse to his new role as Fremont's fire chief. Geoff worked his way up through the ranks, and has worked for Fremont for the past 22 years.
He grew up in our neighborhoods and continues to keep our city safe today.
And in January, Richard Lucero was appointed Interim Police Chief.
He's doing a great job filling the big shoes of Craig Steckler, who retired after 20 years as our chief.
Fremont is definitely in good hands with our new chiefs.

Together, they deal well with what each day brings, including countless emergencies in our city.

While it is their job to be prepared, how about you?
Are you prepared for what could happen?
We have all sat back and watched Hurricane Katrina and Superstorm Sandy wreak havoc in the South and on the East Coast.
We saw the devastating impacts to local communities even after first responders arrived to help.
These events should be a wake up call for each and every one of us to be prepared.
So, I challenge every Fremont business and citizen to be prepared.
Sign up for one of the Fire Department's Personal Emergency Preparedness or Community Emergency Response Team trainings this year.
The classes are designed to help you prepare for a disaster and to take care of yourself and your family before, during, and after that disaster hits.
You can visit the City's website at [Fremont dot gov slash PEP](http://Fremont.gov/PEP) for all of the details.
I also encourage you to visit [Ready dot gov](http://Ready.gov) to see what you can do to prepare for an emergency. Let's make sure our community is ready.

In other public safety news, we rolled out two apps for smartphones. The My Fremont Police Department app allows you to submit anonymous tips, as well as receive the latest information from the Department. And the Fremont Fire Department's Pulse Point app, is a must-have if you know CPR or how to use an automated external defibrillator, or AED. Once registered, your phone alerts you after a 9-1-1 call is placed and someone is in need of CPR near your location.

It also identifies the nearest AED with directions to the patient.

And this next app lets you search hundreds of restaurants and hotels by category and location.

We partnered with the Fremont Chamber of Commerce to bring you the Fremont Restaurant and Hotel Guide.

Be sure to download it and shop and dine locally.

I am really proud of the City finding innovative ways to use technology to enhance our communications.

Through apps and social networking sites, we are engaging in a new conversation, which also includes our new virtual City Hall.

Fremont Open City Hall is accessible via the City's website, and is an online forum that solicits input and feedback from the community on important topics we post.

From the Downtown,

to Warm Springs,

to maintaining our streets,

and everything in between,

I hope you will sign up and be part of the dialogue as we work together to shape Fremont's future.

And speaking of signing up and working together, more than 1300 volunteers took part in Fremont's tenth annual Make a Difference Day, a national day of volunteering, last October.

Residents volunteered over 5200 hours of their free time to make a difference in their city.

76 projects were

completed in one day, including 11 school beautification projects,

numerous street and park clean-up projects,

and unique efforts like a

"car oil change clinic" for single moms.

Locally, we recognized this effort as truly spectacular, bringing together people of many diverse backgrounds, ages, and faiths.

But nationally, the story gets better.

Fremont is being recognized as a winner of USA Weekend Magazine's, National Make a Difference Day Competition, and will be awarded 10,000 dollars for our incredible efforts.

We will also be featured in the Parade Magazine insert in your Sunday paper on April 21.

While Fremont may have come together as five small towns back in 1956, we are now one city making a difference and on the move.

We have worked hard and have accomplished a lot.

As we seize the economic conditions before us today, we continue moving our city forward.

We're building on the past, as we prepare for the future.

I am confident that working together we can make our great city even greater.

Thank you!

I want to thank the Chamber of Commerce and all the sponsors today,

Cheryl Golden the City's Communications Coordinator for all her work on this State of the City, and also the staff of the Marriott for hosting this great event.

Thank you for your time today.

Now, it's Q&A time.

But later, be sure to connect with us on the City's website and through social networking.